

Clean Unit Designation Test

IDEM Information Session
March 6, 2003
Indianapolis
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General Description

- New type of applicability test for emissions units designated as clean units.
- Refer 40 CFR § 52.21, 40 CFR § 51.165 and 40 CFR § 51.166 as finalized on December 31, 2002.
- Major NSR does not apply:
 - * A physical change or change in the method of operation does not cause an emissions unit (otherwise designated as Clean Unit) to exceed its permitted allowable emissions or to modify its work practice requirements.
 - * The physical or operational characteristics that formed the basis for the BACT or equivalent to BACT determination would not be changed.

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General Description

(continued)

- Qualifying Units with state-of-the-art emissions control technologies or pollution prevention strategies.
- Available for a period of 10 years from the date the state-of-the-art emission controls started operation.
- Should not affect air quality, increment consumption...
- Available in both attainment and non-attainment areas.
- 'Clean Unit designation' is lost:
 - * If the permitted allowable emissions or work practice requirements will be exceeded or altered.
 - * If the physical or operational characteristics that formed the basis for the BACT or equivalent to BACT determination are altered.

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General Description

(continued)

- Makes it easier to make changes to respond to market demand
- For non major units, Clean unit status in the SIP approved permitting process
- Separate clean unit status for each pollutant
- Must be incorporated in Title V later
- EPA developing a future rule to allow clean unit designation for a period of 15 years

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Obtaining Clean Unit Designation

Track 1:

- Automatic for most emissions units that go/went through major NSR and are complying with BACT/LAER level of emissions reductions.
- BACT/LAER determination must have resulted in some degree of emissions control.
- Mandatory reduction in emissions from the emissions unit to be designated as Clean Unit when compared to completely uncontrolled unit.

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Obtaining Clean Unit Designation

(continued)

- Add-on controls, pollution prevention, or work practices qualify as Emissions Controls.
- An Investment in the control is required to qualify.
 - * Includes any cost which would ordinarily qualify as a capital expense under the IRS filing guidance.
 - * Also includes any costs incurred to change the emissions unit or process to implement a pollution prevention approach.
 - * Includes research costs, retooling of equipment, reformulation.

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Obtaining Clean Unit Designation

(continued)

Track 2:

- Clean Unit Status can be granted through a SIP-approved permitting process if:
- Emissions control is comparable to BACT/LAER;
- Passes Air Quality Test
 - * Must show that emissions will not cause or contribute to a NAAQS or PSD increment violation, or adversely impact Air Quality Related Values (AQRV) such as visibility.
- This process must include public notice and the opportunity for public comment.

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Obtaining Clean Unit Designation

Through a SIP-Approved Permitting Process (continued)

- The state-of-the-art control technology to be comparable to BACT or LAER
 - * Comparison to BACT/LAER determinations in RBLC;
- OR
- * Substantially as effective as BACT/LAER (Case-by-case demonstration).

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Obtaining Clean Unit Designation

Comparison with RBLC information (continued)

- Non-attainment areas:
- Compare control technology to the best performing five similar sources in the RBLC for which a LAER determination has been made in the last five years.
- Presumed to qualify as a clean unit if:
 - * The emissions limitations achieved by the emissions unit is at least as stringent as any of the best performing five sources, and
 - * the unit passes the air quality test.

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Obtaining Clean Unit Designation

Comparison with RBLC information (continued)

- Attainment areas:
- Compare control technology to ALL BACT/LAER determinations that have been entered in the RBLC in the past five years and for which it is technically feasible to apply the technology to the unit in question.
- Presumed to qualify as a clean unit if:
 - * The emissions limitation achieved by the emissions unit is at least as stringent as the average of the determinations, and
 - * the unit passes the air quality test.

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Obtaining Clean Unit Designation

Case-by-case Demonstration (continued)

- Demonstrate that emissions unit's level of control is "substantially as effective" as BACT or LAER.
- Reviewing authority required to evaluate on a case-by-case basis, whether a particular control technology is "substantially as effective" as BACT or LAER.
- Case-by-case determinations must:
 - * Meet the air quality test and
 - * Include opportunity for public comment.

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Obtaining Clean Unit Designation

Units with Previously Installed Controls (continued)

- Emissions unit has been through major NSR:
 - * Automatically qualifies for clean unit status.
- Emissions unit has not been through major NSR:
 - * May qualify through SIP-approved permitting process.
 - * Source must apply for Clean Unit status within 2 years of effective date of the SIP approval..
 - * Compare the unit's emission control level to the BACT or LAER level that would have applied at the time construction of the unit began.

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Clean Unit Designation

Effective Date

- No sooner than the effective date of the Clean Unit Test provision (Incorporated into the SIP and becomes effective for the State in which the unit is located).
- For emissions units that undergo original clean unit designation or re-qualify using new control technology (via major NSR):
 - * Date the emissions control technology went into service, or 3 years after issuance of the permit, whichever is earlier.

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Clean Unit Designation

Effective Date (continued)

- For emission units that re-qualify for clean unit status using existing control technology (via major NSR):
 - * Date the major NSR permit is issued.
- For emissions units using a SIP-approved permitting process other than major NSR:
 - * The latter of
 - + Date the State or local agency permit designating the unit as a clean unit is issued; or
 - + The date the emissions control went into service.

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Clean Unit Designation

Expiration Date

- 10 years from effective date or date equipment went into service (in most cases).
- Clean unit status expires (agency discretion) upon failure to comply with the permit requirements for the clean unit.
- Upon expiration, the emissions unit is subject to the major NSR applicability test as if the unit is not a Clean Unit.
- The permitted emissions levels for the clean unit DO NOT expire.

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Loss of Clean Unit Designation

- If the project causes the need to change the emission limitation(s) or work practices that are in the permit which were established in conjunction with the Clean Unit designation.

THEN:

- Emissions unit loses clean unit status and the project is subject to the regular applicability requirements.

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Re-qualifying Clean Unit Designation

- Generally follow the same procedures used to obtain the initial clean unit designation.
- Re-qualification must achieve emissions control levels at the time of evaluation.
- No additional investment is required for units re-qualifying as clean unit with the same emissions controls.

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Permit requirements Clean Units

- If the unit qualifies for clean unit status through major NSR, then the major NSR permit will contain:
 - * the emissions limitation based on BACT or LAER;
 - * other permit terms and conditions such as production limitations hours of operation;
 - * monitoring, recordkeeping, and reporting requirements.

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Permit requirements Clean Units

(continued)

- If the unit qualifies through a SIP-approved permitting process, other than major NSR, the permit must specify:
 - * the source specific allowable for clean unit status;
 - * other terms and conditions deemed to be comparable to BACT/LAER requirements (e.g. limits on operating parameters);
 - * any conditions used as the basis for the determination (e.g., limits on raw materials or hours of operation);
 - * the monitoring, recordkeeping, and reporting requirements necessary to demonstrate clean unit status.
 - * Additional monitoring, recordkeeping, and reporting requirements may be required to assure compliance under Title V.

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Permit requirements Clean Units

(continued)

- Clean unit status must be incorporated into the source's title V permit.
 - * Must include effective and expiration dates.
 - * Incorporated into the title V permit at the first opportunity, such as a modification, revision, reopening, or renewal of the title V permit, whichever comes first.
- Any changes to the clean unit permit terms and conditions must be done through a SIP-approved permitting process and then incorporated into the source's title V permit.

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Clean Unit

Netting/Offsets/Designations

- Emission changes from a clean unit must not be included in a netting analysis or used to generate offsets
 - * Only available if they occur before or after (not during) the clean unit designation is granted or expired.
- Emissions reductions below the level that qualifies for clean unit status are available for netting or offset credit.
- Emissions must be surplus, quantifiable, permanent, federally enforceable, and enforceable as a practical matter.
- Clean Unit Status remains unchanged under re-designation of an area for attainment purposes. Subsequent evaluation based on present designation.

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Alternatives for SIP rulemaking

- Types of changes identified at preliminary stage include:
 - * Alternative time period for retroactive clean unit designation.
 - * Revisions to comparability analysis for state-of-the art control technologies with retroactive BACT or LAER as the case may be.
 - * Identify physical and operational characteristics for the emissions units. Could include but not limited production capacities, raw material types and usage rates, control efficiencies and emission factors.
 - * Revisions to Minor SIP approved program to fulfill the requirements of Clean Unit designations.
 - * Address permit fees for the approval
 - * Clarify the impacts of Minor SIP approved Clean Unit designations on the other changes at the source.

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